

Optimizing Quality and Productivity

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REVENUE CYCLE DIRECTOR



Background

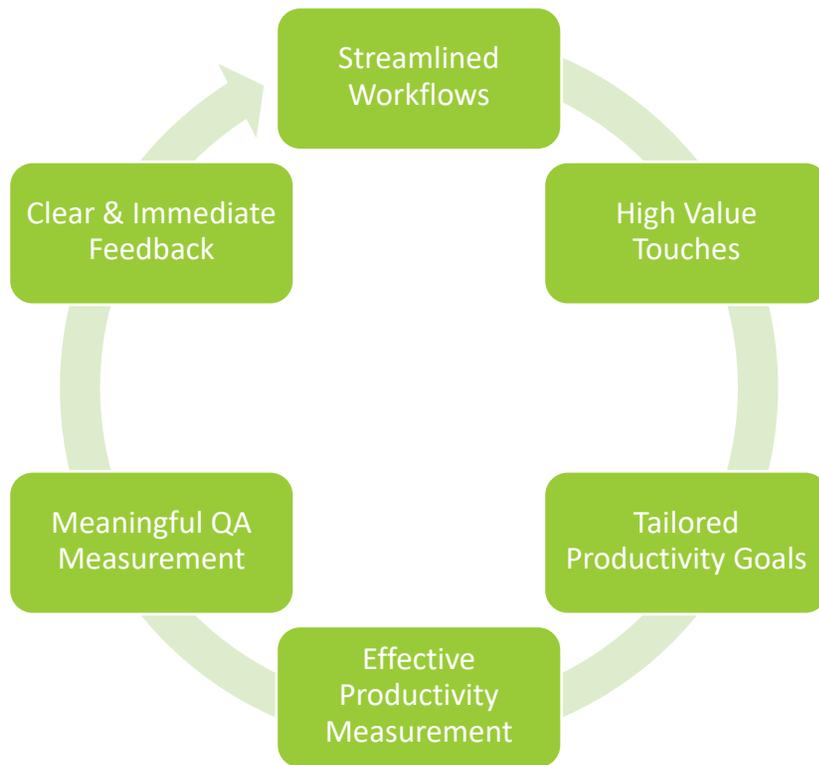
- Four years of Revenue Cycle Consulting and Workflow Implementations at Med-Metrix
 - Med-Metrix is a leading provider of performance management analytics, consulting, extended business office, and revenue recovery services to the healthcare industry
 - Proprietary Patient Accounting Workflow Solution and AR services work rely on the efficiency maximization strategies presented here
- Designed and implemented workflow solutions and QA programs for healthcare organizations across the country

MED·METRIX

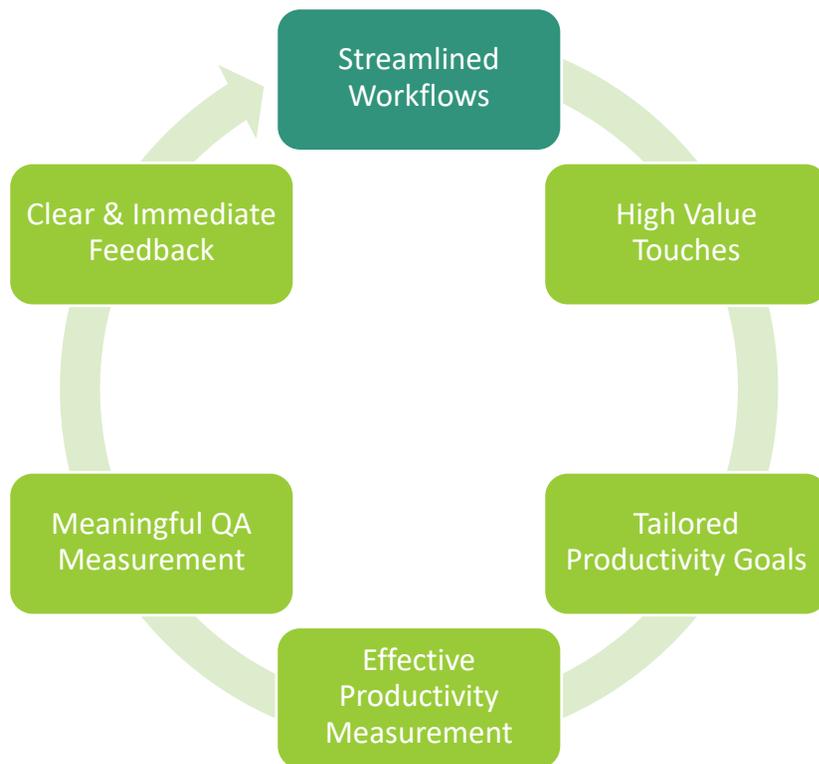
Key Factors in a Work-From-Home Environment

- Remote oversight of staff
- Limited pathways for immediate communication
- Competing pulls on end-users' attention
- Increased pressure on management to maintain KPIs

Collector Efficiency Model



Efficiency Model



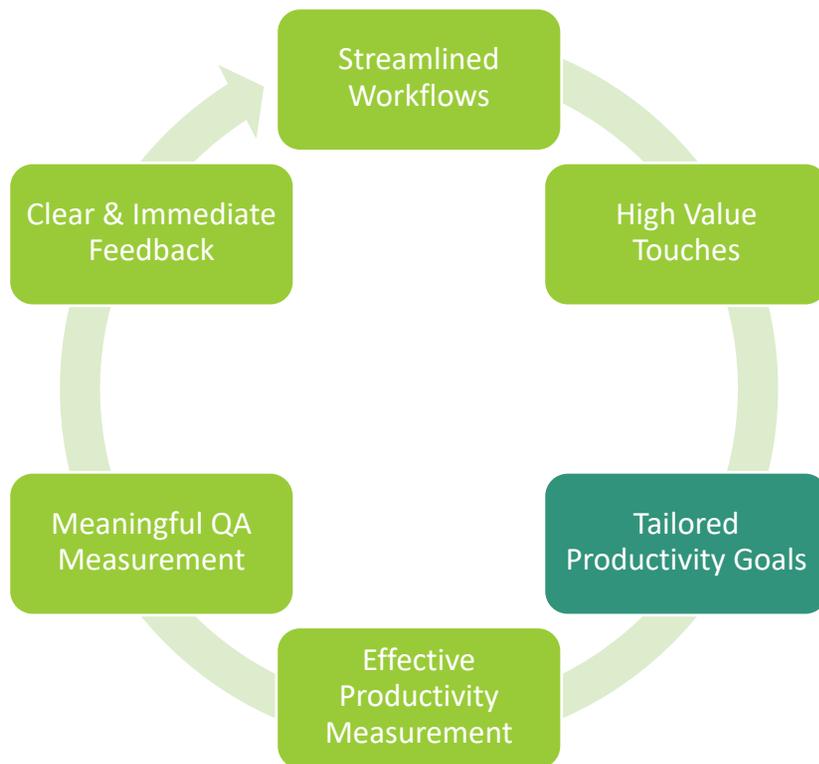
- Streamline the workflow to prioritize accounts that need collector intervention *today*
- Stratify accounts according to the type of work required

Efficiency Model



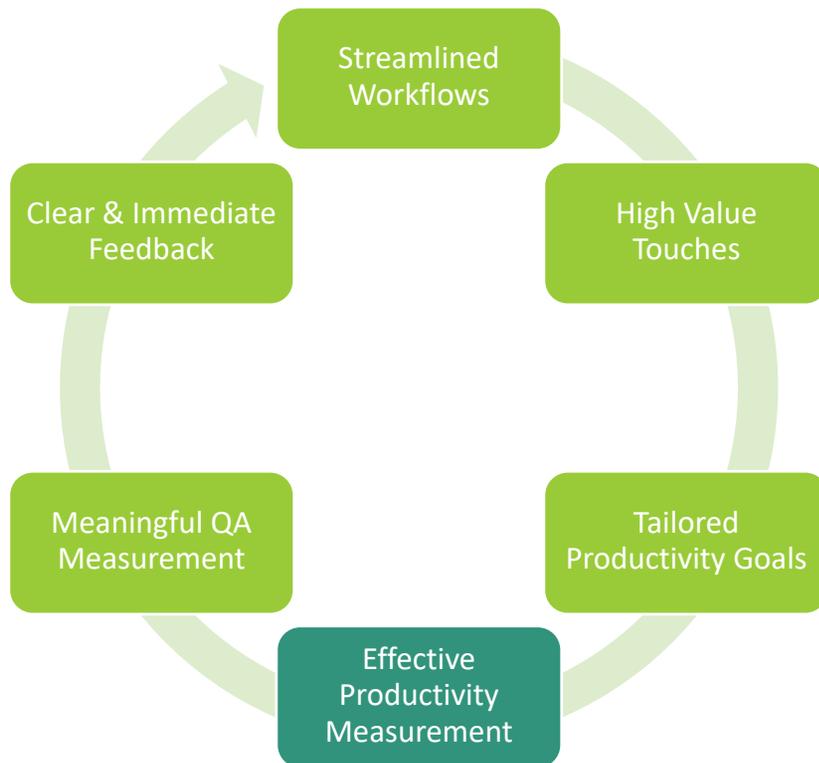
- By working the right accounts at the right time, collector touches are maximized so that accounts can be resolved in the least number of touches possible

Efficiency Model



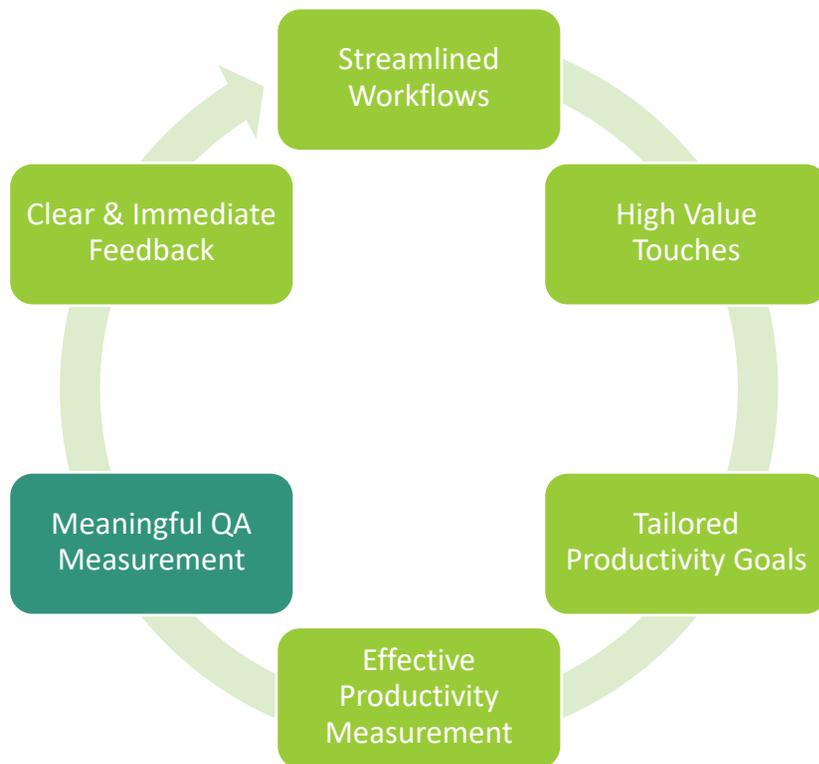
- Establish a productivity standard based on the type of work performed

Efficiency Model



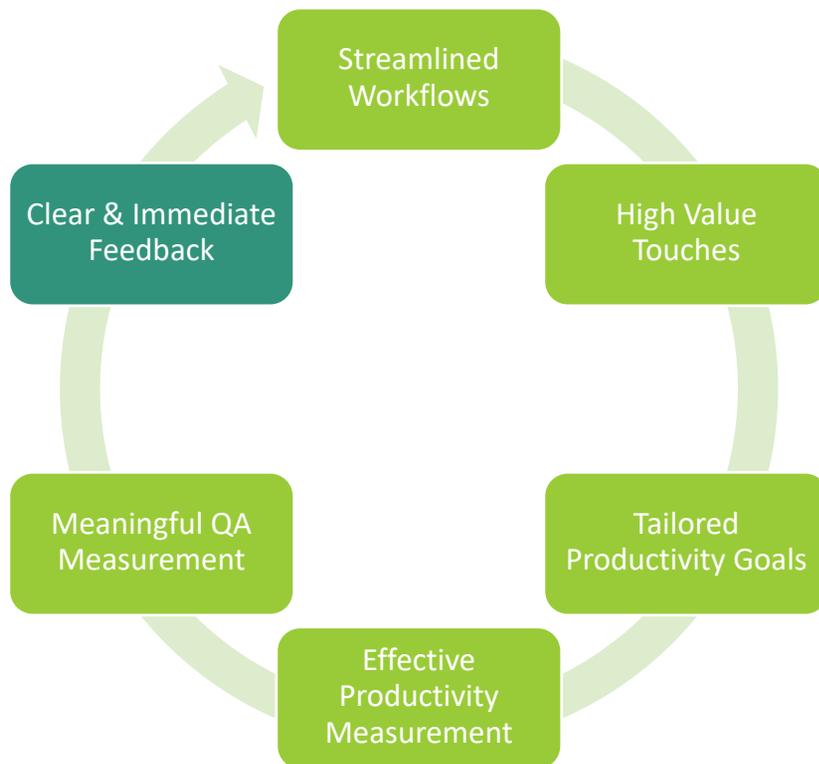
- Measure and report collectors' progress against these stated goals

Collector Efficiency Model



- Ensure consistent, high quality work by performing regular quality audits

Collector Efficiency Model



- Provide consistent feedback to individual users, in as much real-time as possible

Identify the “Right” Accounts

The right accounts to work are those that require a collector touch *today* to move forward towards resolution.

Group accounts into three categories:

Received a Payer Response ✓

- Denials
- 277 Payer Rejection messages
- T-Status Medicare Accounts
- Payments

Work these first!



Should have Received a Payer Response ⌚

- Typical claim processing time has expired
- 45+ days since appeal or other documentation was submitted

Work these next!



In line with Payer expectations 🕒

- Within normal processing time
- 277 Payer Accepted or Paid messages
- Pending a known payer/provider issue

These do not need a collector touch *today*

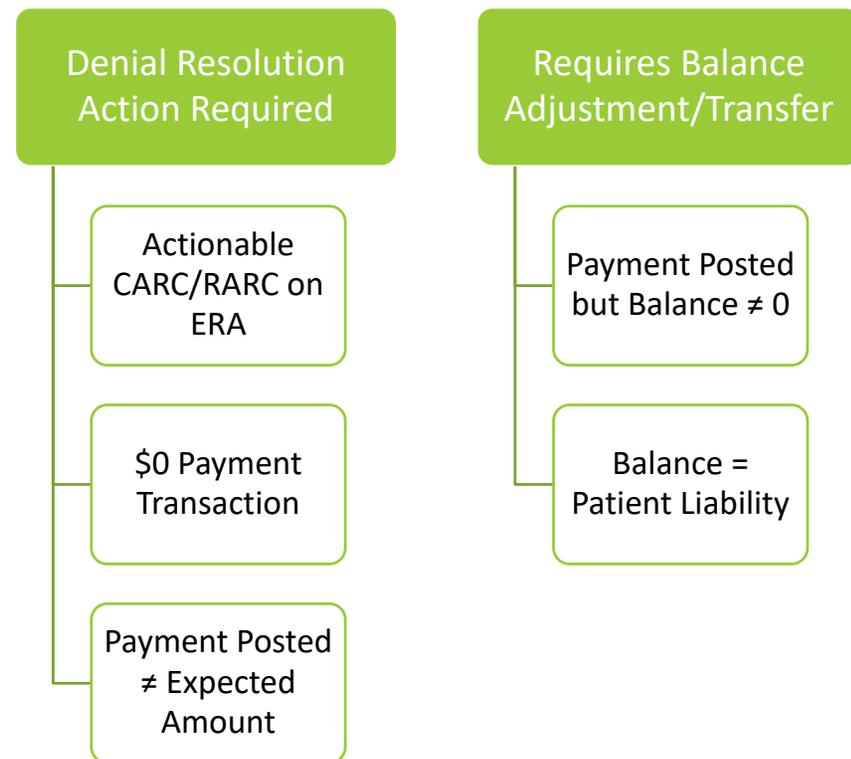


Working Payer Responses Strategically

- Identify all payer responses received
 - ERAs, 277s, accounts in T-Status
 - Denial letters
 - Posted Payment Transactions, *especially \$0 transactions*
- Push to collectors as the highest priority
 - Collector action is *required* for reprocessing, rebilling, or adjusting/transferring balances
 - There is a timeliness component due to denial response deadlines
- Additional information can further refine payer responses:
 - Systematic identification of CARCs/RARCs and Patient Liability Amount from the ERA (Remit Processing System)
 - Comparison to Expected Payment Amount (Contract Management System)

Working Payer Responses Strategically

- With the CARC/RARCs, Patient Liability amount, and Expected Payment amount, payer responses can be *further classified* by the type of work required
- This distinction allows organizations to get to the next level of efficiency



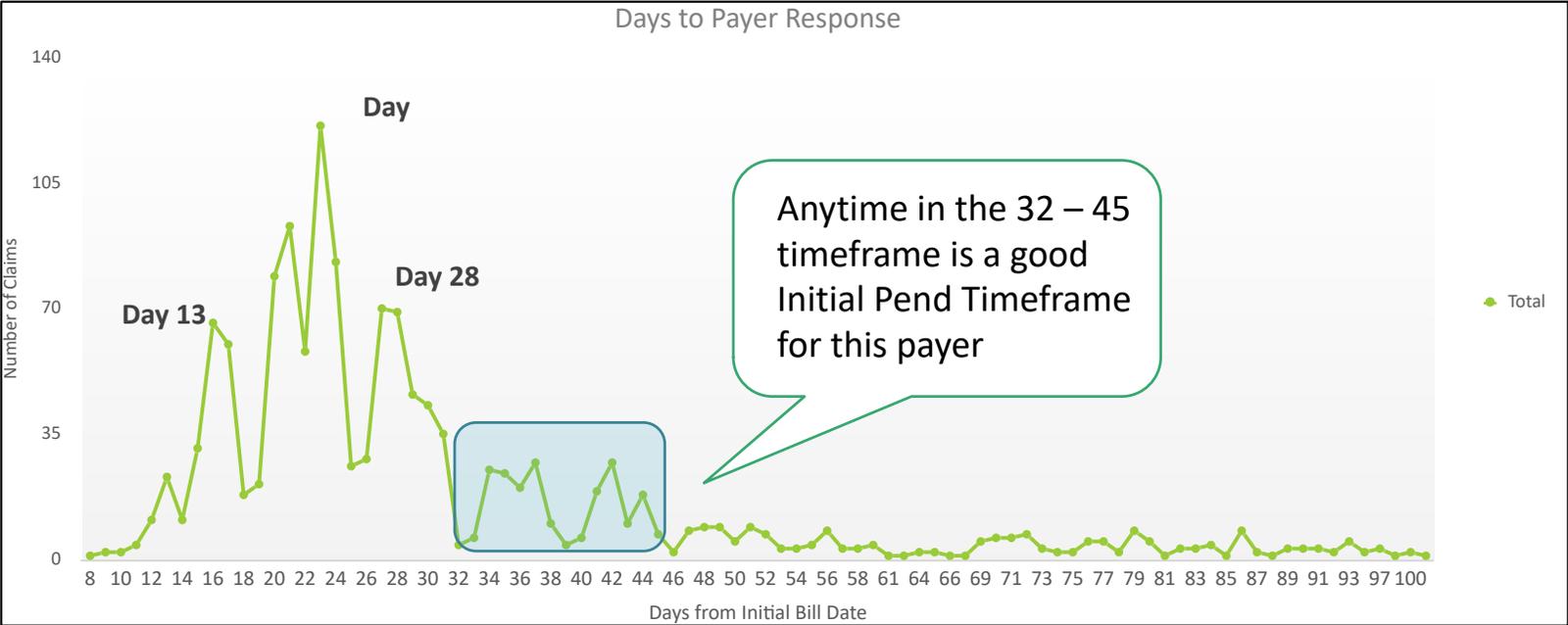
Payer Response Expected but not Received

Identify accounts where a denial, payment, or 277 response has not been received *after a reasonable amount of time* has passed since bill or most recent action

Three ways to assign reasonable timeframes to accounts:

- **Determine *payer-specific, data-driven* initial pend timeframes after billing**
 - Review your payment and denial data to identify the typical time to receive a response...and add a few days
- **Rely on collectors to apply pend timeframes (“tickle times”) after action is taken**
 - Establish standards for appropriate tickle times for frequently used actions, e.g., submitting medical records
- **Pend out accounts for additional time if a 277 Accepted or Paid response is received**
 - No longer a risk for “no claim on file”

Days to Payer Response Analysis



Ensuring Collectors Work the Right Accounts

- **Rely on your timeframes to drive exceptions**
 - Don't fall into the trap of following up on accounts too quickly!
 - The account will become high priority once the payer response is received
- **Enforce a priority structure that puts denials first, payment review second, and exception-based follow up third**
 - Limit choice – our tendency is to work the easiest accounts first!
 - Encourage time-saving strategies such as inquiring about multiple accounts in a single call
- **Remove accounts from the workflow or worklist that have not hit an exception**
 - Put all collector effort towards the accounts that they can impact today
- **Leverage the information that you have, and make your systems work for you**

Establish Productivity Standards

Productivity expectations should be fair and achievable, and should be aligned with what you consider a “full FTE”

1. Take into account the type of work required

Two effective methods:

Assign a “weighted” productivity touch to actions

Denial-related Action	1.1 Productivity Points
Adjustment Action	0.6 Productivity Points

Establish a separate standard for different types of work

Follow-Up Worklist	40 accounts / day
Denials Worklist	35 accounts / day

Remember! If the workflow is not exception-based, productivity will be higher because collector activity will include assigning a quick claim status for accounts that may not need work today.

Establish Productivity Goals

2. Factor in time “out of the system”

- Only hold users accountable to the time that they were expected to work through their daily work drivers
- Use an adjusted productivity formula to calculate:

$$\frac{\text{Actual Productivity}}{(\text{Expected Productivity per hour}) \times (\text{Actual Hours Worked})}$$

Example:

Productivity standard = 40 accounts for an 8 hour day

Kate worked 35 accounts in 6 hours

$$\frac{35}{(5 \text{ accts/hr}) \times 6 \text{ hrs}} = 117 \% \text{ of Goal}$$

Remember! Are special projects held to the same productivity expectations? If no, don't include that time in their productivity equation!

Establish Productivity Standards

3. Implement a goal range, and evaluate using a weekly average

- A range (e.g., 95% of standard) provides a little padding to accommodate variations in the difficulty of accounts worked
- Example: Productivity standard is 40 accounts, or 200 accounts per week. If goal is 95% of standard, then total productivity above 190 is acceptable!

4. Provide feedback

- Provide updates on progress at least daily, and throughout the day is ideal
- Share the results with the team (blinded if necessary) so collectors can see how they compare to their peers
- Observe high performers for their best practices and share with the team!

Ensure High Quality Work

- Frequent quality reviews are **absolutely necessary** to ensure that accounts are worked correctly and therefore resolved quickly
- Evaluating quality should be just as clear-cut as measuring productivity:
 - Develop scoring criteria
 - Establish a goal and measure collector scores against that goal
 - Conduct reviews with *consistent* frequency
 - Provide results to collectors so that they can improve

Effective QA Program: Scoring

- Only a handful accounts are required per review to provide significant insight into performance
 - Med-Metrix reviews only consist of five accounts per collector
- Similar to productivity, assign a goal range (e.g., 95% of a perfect score)
- Keep the scoring simple!
 - Incorporate a few, comprehensive scoring criteria
 - Grade the account using a simple *Yes / No* (point / no point) evaluation method

Did the collector...

Read the account history and understand the issues preventing payment?

Consult the right systems and take the correct next step?

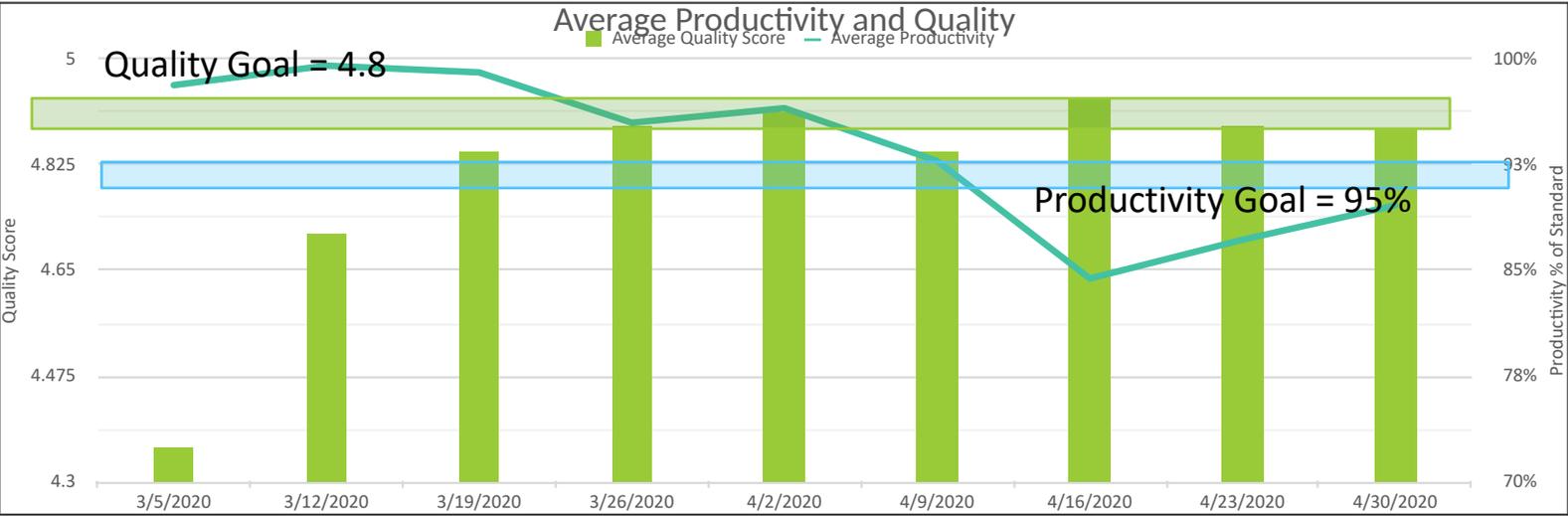
Take ALL steps required/possible to move the account forward?

Apply a pend an appropriate pend timeframe with regards to the account balance and identified issues?

Clearly document the status of the account and actions taken?

Effective QA Program: Scoring

Best practice performance measurement should include both productivity and quality of account touches to ensure that staff is working quickly, but not ineffectively.



Effective QA Program: Review Frequency

- Audit frequency should be determined by how consistently each collector meets the stated goals for both productivity and quality
- Begin with a **ramp up period** where all collectors are reviewed weekly for four weeks
- Use the average score as a baseline to determine how often a collector is reviewed and adjust as needed according subsequent reviews



Effective QA Program: Feedback and Reporting

- Give feedback directly to collectors timely and **in person** to allow them to correct missteps and learn from mistakes
 - Face-to-face discussion promotes staff development by creating an environment of conversation instead of criticism
 - Frequent feedback serves as a reminder that work is being monitored
- Incorporate Quality Review scores into annual performance reviews and bonus structure
 - Reward high performing representatives to increase team morale and incentivize continued high performance
 - Consider initiating disciplinary action for representatives that consistently perform below stated expectations
- Include QA reporting in the standard report deck used in management meetings
 - Importance of QAs needs to come from the top!
 - Identify process breakdown and training deficiencies

Sample Quality Report

Quality Tracker										
User ID	Audit Freq / Prod Goal	6/3/2016	6/10/2016	6/17/2016	6/24/2016	7/1/2016	7/8/2016	7/15/2016	7/22/2016	4 Wk Avg
35	Monthly	● 4.8	● 5.0	● 4.8		● 4.8				● 4.8
	35	32	40	37		35				101%
80	Monthly	● 4.8	● 5.0		Vacation	● 5.0		● 4.8		● 4.8
	35	36	33			42		36		111%
150	Monthly				Vacation	● 4.8			● 5.0	● 4.9
	45					72		67		155%
160	Monthly	● 4.8		● 5.0				● 4.8		● 4.8
	35	33		41				37		106%
210	Weekly	● 4.8	● 4.8	● 4.0	● 4.8	● 4.4	● 4.2	● 4.6	● 4.6	● 4.5
	35	26	32	27	30	24	31	26	29	78%
240	Weekly	● 4.8	● 4.8	● 4.8	● 4.6	● 4.8	● 4.2	● 5.0	● 4.8	● 4.7
	50	45	57	49	51	40	34	55	49	89%
290	Monthly	● 4.8		● 4.8				● 4.8		● 4.8
	50	51		53				50		101%
310	Monthly	● 4.8		● 4.8		● 4.8				● 4.8
	50	53		50		54				108%
45	Weekly	● 4.6	● 4.8	● 4.4	● 3.8	● 4.6	● 4.4	● 4.8	● 4.6	● 4.6
	35	40	34	28	32	25	28	31	46	92%
111	Monthly	● 5.0	● 5.0	● 4.8		● 5.0		● 4.8		● 4.9
	35	35	39	34		36		35		102%

Blind out the collectors' names so that you can share with staff

Display the 4 week average for quality & % of productivity standard to summarize performance

Trend over time to show progression

Use conditional formatting to apply color indicators for easy reading

Key Takeaways

- **Concentrate collectors' effort on the accounts they can impact today:** i.e., the accounts with a payer response that requires action or that require collector intervention because a payer response is delayed
- Streamline the work required to **maximize how efficiently collectors work** each day
- Remove accounts that do not require collector action from the workflow!
- Utilize the ERA information available to **make your workflow system work for you!**

Key Takeaways

- Establish a productivity standard that is **fair and achievable** with respect to the type of work performed and time spent on collection activities
- **Execute a comprehensive Quality Review Program** that evaluates collector productivity and quality against the stated goals
 - Know that this requires a significant amount of time to roll out, but is absolutely necessary!
- Provide feedback to collectors directly, and **incorporate scores into annual reviews and bonuses** - *Give the program teeth!*

Questions?